

FISCAL IMPACT STATEMENT ON BILL NO. **S.387**

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TO:	The Honorable Glenn McConnell, Chairman, Senate Judiciary Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Beth Campbell		
DATE:	March 27, 2007	SBD:	2007169

AUTHOR:	Senator Land	PRIMARY CODE CITE:	42-1-40
SUBJECT:	Workers' Compensation - Cost of Premiums		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
See Below

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
See Below

BILL SUMMARY:

Senate Bill 387 would include the cost of premiums for any health, life, and disability insurance and retirement contributions paid for by the employee in the definition of “average weekly wages” and would include any verbal or written contract for allowances instead of wages as part of the employee’s earnings.

EXPLANATION OF IMPACT:

Workers' Compensation Commission

The Commission reports this Bill will have no impact on the General Fund of the State or on Federal and/or Other Funds.

State Accident Fund

The Fund estimates this Bill will increase workers’ compensation claims costs that will translate into an increase in premiums (paid by governmental entities) due to an expansion of benefits. Premiums are paid by state agencies from State General Funds as well as Federal and Other Funds. The specific costs are difficult to estimate due to a number of other factors that impact the ultimate cost of workers’ compensation claims.

Second Injury Fund

The Fund reports this Bill may have a minimal cost to the Uninsured Employers’ Fund due to an increase in workers’ compensation claims costs.

LOCAL GOVERNMENT IMPACT:

Local government would be impacted to the same extent as State agencies.

Approved by:



Harry Bell
Assistant Director, Office of State Budget